

MAPHUMULO MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

MAPHUMULO MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2006.

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**MAPHUMULO MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2006.**

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillor B.P. Ngcobo	MAYOR
K.P.Ninela	SPEAKER
N.S.Ndlovu	DEPUTY MAYOR
B.Ngubane	EXCO Member
Z.B. Mdletshe	EXCO Member

GRADING OF LOCAL AUTHORITY

Grade 1

AUDITORS

Auditor – General

BANKERS

First National Bank,
P.O.Box 64
Stanger, 4450

REGISTERED OFFICE

Maphumulo Municipal Offices
Sakhuxolo Skills Development Centre
MAPHUMULO
4470

Telephone : 032 – 4812047
Fax : 035 – 831 3152

MUNICIPAL MANAGER

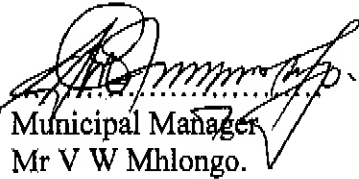
Mr V W Mhlongo

CHIEF FINANCIAL OFFICER

Vacant

MAPHUMULO MUNICIPALITY
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2006.

The Annual Financial Statements set out on pages 12 to 24 were approved by the
Municipal Manager on 23 August 2006.


Municipal Manager
Mr V W Mhlongo.

MAPHUMULO MUNICIPALITY
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MAYOR'S FOREWORD

Each year additional responsibilities are placed on Municipalities by Government and this coupled with the low payment levels for services by consumers is placing extreme pressures on the finances, not only of Maphumulo Municipality, but all municipalities throughout the country.

The transition of the past year brought with it a strong foundation for future development of Municipalities, especially for Maphumulo Municipality. During the year under review Local Governments have had to elect their new leadership.

For the Maphumulo Municipality, the elections were very successful and no incidents were reported.

The new leadership and those members of Council that have been re-elected have brought new experiences and have shown good commitment in developing further on the stable foundation that has been set.

I wish to thank all those involved in the Maphumulo Municipal area who have worked tirelessly in making our jurisdictional area a pleasant environment to live and work in.

I wish to compliment the Executive Committee for the good fiscal discipline observed during the last financial year.

And finally, The Municipal Manager, Chief Financial Officer, members of the Finance staff and the staff of the other Directorates for the excellent work performed during the last financial year.

Councillor BP Ngcobo.

Honourable Mayor.

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REPORT OF THE AUDITOR-GENERAL

To be inserted.

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CHIEF FINANCIAL OFFICER'S REPORT

1. OPERATING RESULTS FOR THE YEAR ENDED 30 JUNE 2006.

Details of the operating results per department, classification and objects of expenditure are included in appendices D & E. The overall operating results for the year are as follows:

INCOME	Actual 2006 R	Actual 2005 R	Variance 2005/2006 %	Budget 2006 R	Variance Actual/ Budget %
Operating Income	17,846,109	20,404,762	(12.5)%	17,190,338	3.6%
Opening	10,282,199	13,816,355			
Prior Year Adjustment	0	354,387			
Total	28,128,308	34,575,504		17,190,338	
EXPENDITURE					
Operating Expenditure	20,929,233	24,293,305	(16.1)%	13,766,778	52.0%
Unappropriated surplus	7,199,075	10,289,199			
Total	28,128,308	34,575,504		13,766,778	

The decrease in the operating income against the previous year was due mainly to the fact that no income was received from CMIP Funding during the year. The decrease in the accumulated surplus of the previous year impacted on the operating results as some reliance was placed on the accumulated surpluses to fund operating expenditure.

No Prior Year adjustments were made during the current year indicating that there was no further erosion of the accumulated surplus.

The significance of the decrease in the operating expenditure was the granting of a reprieve from the Receiver of Revenue as the Grade of the Municipality was exempted from liabilities for VAT.

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2006.**

2. CAPITAL EXPENDITURE

Expenditure on fixed assets during the year was R 2,070,426 and details are provided on Appendix C. These purchases were funded from Contributions from current revenue and Grant funding.

	2006 Actual R	2005 Actual R	2005/5006 Budget
Land & Buildings	57,592	0	
Furniture & Equipment	116, 612	226,955	88,000
Computer Equipment	158,395	68,519	91,000
Plant & Equipment	1,737,827	8,075	1,851,425
Total	2,070,426	303,549	2,070,426

Resources to finance the assets were as follows:

	2006 Actual R	2005 Actual R	2005/5006 Budget
Subsidy Ex Province	1,851,330	203,016	1,852,425
Contribution from Equitable Share	219,096	100,533	264,000
Total	2,070,426	303,549	2,116,425

3. EXTERNAL LOANS AND INVESTMENTS

An external loan of R 737 827.07 was advanced from ABSA Bank for the purchase of one Caterpillar. The machine was purchased on 27 September 2005, and the cost of the machine was R 1 737 827.07. An amount of R 1 000 000.00 was paid with the final instalment due on 1 October 2006.

Investments made 30 June 2006 amounted to R 16,360,103 (2005 R 11,704,544), details are provided in note 3 of the notes to the financial statements.

MAPHUMULO MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
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4. FUNDS, RESERVES AND PROVISIONS

	2006 R	2005 R
Statutory Funds		
Reserves	9,805,576	2,240,454
Leave	350,000	350,000
Total	10,155,576	2,590,454

More information on Provisions and Reserves is disclosed in the Notes 1 & 7 and Appendix A to the financial statements.

5. POST BALANCE SHEET EVENTS

There were no post balance sheet events during July to August 2006 Financial Year.

6. EXPRESSION AND APPRECIATION

I wish to thank the Mayor of the Maphumulo Municipality, Council Members, the Municipal Manager and Directors for the support they have given me and my staff for the assistance in the preparation of these financial statements. Special appreciation is also given to the Office of the Auditor-General for their support.

Municipal Manager

MAPHUMULO MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2006.

ACCOUNTING POLICIES

1. Basis of Presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on the Standardisation of Financial Statements of Local Authorities (Second Edition, January 1996).

2. Debtors and Creditors

Current and Capital transactions operate on an income and expenditure basis. Income accruing and any outstanding payments as at 30 June 2006 are brought to account by means of raising sundry debtors and sundry creditors respectively.

3. Fixed Assets

- 3.1 Fixed Assets are stated:

- at historical cost, or
- at valuation (based on the market price at the date of acquisition), where assets have been acquired by grant or donation.
- while they are in existence or fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Chief Financial Officer.

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation; however, certain differences do exist. By way of this "provision" assets are written down over their estimated useful life.

4. Provisions

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Provisions and reserves are determined on the following basis:-

Leave pay – The value of leave accruing to staff as at 30 June 2006.

5. Bad Debts

10% of the total outstanding for rentals amount was provided for bad debts.

6. Reserves

Reserves are based on the conditional grant received during the financial year.

7. Investments

Investments are shown at market values with ABSA Bank on a monthly basis.

8. Retirement Benefits

Maphumulo Municipality and its employees contribute to the Kwa Zulu Natal Pension Fund and Maphumulo Municipality and its Councillors contribute to the Municipal Councillors Pension Fund which provides retirement to such employees and Councillors.

9. Surplus and Deficits

A surplus of R 7,199,075 arising from previous unspent reserves and is committed/retained for the next services eg. Projects not completed in the last financial year.

10. Income Recognition

10.1. Equitable Share

Equitable Share is the income from National Treasury for administration, free basic services and service delivery.

10.2. CMIP Funding

CMIP Funding is the income received from National Treasury for as conditional grant. It is only for road construction.

10.3. Rentals and other income

Rent is paid by individuals on a monthly basis. Other income arising from hiring of halls, tractors and tender documents are transferred to income statement as other income.

MAPHUMULO MUNICIPALITY ANNUAL FINANCIAL STATEMENTS				
BALANCE SHEET AS AT 30 JUNE 2006				
		2006		2005
	NOTES	R		R
CAPITAL EMPLOYED				
FUNDS AND RESERVES				
Reserves : Grants	1	9,805,577		2,240,454
		9,805,577		2,240,454
Accumulated Surplus	13	7,199,075		10,282,199
		17,004,652		12,522,653
EMPLOYMENT OF CAPITAL				
Fixed Assets	2	0		0
Investments	3	16,360,103		11,704,544
Long Term Debtors	5	0		71,622
		16,360,103		11,776,166
NET CURRENT ASSETS				
		644,548		746,487
CURRENT ASSETS				
Debtors	4	3,436,325		3,860,620
Cash		620,307		2,247,805
Bank		2,781,794		1,612,610
Short Term Portion of Long Term Debtors		34,224		205
CURRENT LIABILITIES				
Provisions	7	2,791,777		3,114,133
Creditors	6	550,000		354,022
		2,241,777		2,760,111
		17,004,651		12,522,653

MAPHUMULO MUNICIPALITY								
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006								
2005 Actual	2005 Actual	2005	2005 Budget		2006 Actual	2006 Actual	2006	2006 Budget
Income	Expenditure	Surplus (Deficit)	Surplus (Deficit)		Income	Expenditure	Surplus (Deficit)	Surplus (Deficit)
R	R	R	R		R	R	R	R
20,404,762	22,450,195	(2,045,433)	22,083,979	Income	17,846,109	20,929,233	(3,083,124)	0
10,947,463	10,947,463	(2,045,433)	10,893,274	Administration	17,846,109	9,910,970	7,935,139	12,800,000
9,457,299	11,502,732	-	11,190,705	Capital Expenditure		11,018,263	(11,018,263)	(12,800,000)
20,404,762	22,450,195	(2,045,433)	22,083,979	TOTAL	17,846,109	20,929,233	(3,083,124)	0
		(1,488,723)		Appropriations for the year (Refer to note 13)				
		(3,534,156)		Net (deficit)/surplus for the year			(3,083,124)	
		13,816,355		Accumulated Surplus/ (Deficit) at beginning of the Year			10,282,199	
		10,282,199		Accumulated (Deficit)/Surplus at the End of the Year			7,199,075	

MAPHUMULO MUNICIPALITY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006	2005
Cash Retained From Operating Activities		3,754,112	1,968,619
Cash Generated/(utilised) by Operations	14	4,677,976	(1,401,552)
Investment Income		(1,953,873)	(719,059)
(Increase)/Decrease in working capital	15	1,030,009	4,089,230
		3,754,112	1,968,619
Less: External interest paid		-	-
Cash Available from Operations		3,754,112	1,968,619
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in Fixed Assets	2	2,070,428	303,549
NET CASH FLOW		5,824,538	2,272,168
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(Decrease) in long term loans		-	-
(Increase)/Decrease in Investments	17	(4,655,559)	(1,679,578)
Increase/Decrease in Trust Funds		-	-
(Increase)/decrease in cash	16	(1,168,979)	(592,590)
		(5,824,538)	(2,272,168)

MAPHUMULO MUNICIPALITY		
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006	2006	2005
	R	R
1. RESERVES		
Reserves	9,805,577	2,240,454
(Refer to appendix A for more detail)	9,805,577	2,240,454
2. FIXED ASSETS		
Fixed Assets at the beginning of the year	11,359,409	5,538,908
Capital expenditure during year	2,070,426	303,549
Less: Assets written off	10,150	5,516,952
Total fixed assets	13,419,685	11,359,409
Less: Loans redeemed and other capital receipts	(13,419,684)	(11,359,409)
Net fixed assets	1	0
3. INVESTMENTS		
Unlisted		
Short term and medium deposits	16,360,103	11,704,544
	16,360,103	11,704,544
Average return on Investments		9%
Average rate of return on investment (gross)		
No investments have been written off during the year		
No investments have been pledged as security for any funding facility of the Council		
4. DEBTORS		
King Shaka Municipality	3,586	1,206,105
Car/Housing Loan	0	125,696
Study Loans	41,661	35,376
Sundry Debtors	137,924	102,237
Insurance Loan	4,258	4,259
CMIP	0,00	774,132
Debtors Control	436,900	0
	624,329	2,247,805
Less: Bad Debts Provision	(4,022)	(4,022)
	620,307	2,243,783
5. LONG TERM DEBTORS		
Total Long Term Debtors	34,224	197,318
	34,224	197,318
Less: Current portion of Vehicle loans	34,224	(125,696)
	0	71,622

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED			
30 JUNE 2006			
	2006		2005
	R		R
6. CREDITORS			
Illembe Municipality	22,027		22,026
SARS	0		1,843,110
Sundry Trade	1,478,798		
Creditors Suspense	802		
Debtors with Credit balances	2,323		
Sundry Creditors	737,827		894,975
	2,241,777		2,760,111
7 PROVISIONS			
Leave Pay	350,000		350,000
Audit Fee	200,000		
	550,000		350,000
8. COUNCILLORS' REMUNERATION			
Mayor's allowance	53,091	H1	38,324
Deputy Mayor's allowance	20,530	H1	30,659
Speaker's allowance	16,697	H1	30,659
Exco members	49,473	H1	59,345
Councillors' allowances	265,485	H1	243,153
	405,275		402,140
COUNCILLOR BENEFITS			
Travelling Allowance	84,700	H2	82,120
Medical Aid	48,672	H7	42,588
Cell Phone Allowance	154,140	H3	120,750
Office Allowance	59,187	H4	51,728
Housing	19,123	H5	0
Councillor's Pension	51,263	H6	53,709
	417,085		350,895
9. SECTION 57 EMPLOYEES' REMUNERATION			
Municipal Manager	342,568	H8	323,178
Chief Financial Officer	204,131	H8	242,534
Director Corporat Services	130,499	H8	
Director Plan. and Implementation	81,300	H8	152,263
	758,498		717,975
10. SECTION 57 EMPLOYEES' BENEFITS			
Medical Aid	30,658	H15	31,183
Pension Fund	90,603	H12	81,839
Group Life	21,116	H14	14,213
Travelling	365,985	H9	404,737
Retirement Annuity	45,410	H13	43,968
Housing Subsidy	7,250	H10	6,000
Supplementary Allowance	25,668	H11	25,668
	586,690		607,608
11. AUDITORS' REMUNERATION			
Audit fees			
Current Year budget	0		130,000
- underprovision prior year	0		70,000
	0		200,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED			
30 JUNE 2006			
	2006		2005
	R		R
12. FINANCE TRANSACTIONS			
Total external interest earned or paid:			
Interest earned	1,953,873		719,059
Interest paid			-
Net external interest earned / (paid)	1,953,873		719,059
13. APPROPRIATIONS			
Appropriation account			
Accumulated surplus at the beginning of the year	10,282,199		13,816,355
Operating surplus / (deficit) for the year	(3,083,124)		-2,045,433
Prior year adjustments			(1,488,723)
	7,199,075		10,282,199
Operating Account			
Fixed Assets	200,008		
Contributions to:			
Maintenance Reserve			
Audit Fee Provision	221,865		200,000
Leave Pay Provision	187,000		350,000
Bad Debts			4,022
	408,865		554,022
14. CASH GENERATED BY OPERATIONS			
(Deficit)/Surplus for year	(3,083,124)		-2,045,433
Adjustments in respect of:			
Previous years' operating transactions	-		354,387
Previous years' operating transactions - VAT	0		-1,843,110
Appropriations charged against income:	195,978		3,306,241
o Provisions and reserves			354,022
o Contributions to Capital Outlay			100,533
o Grants & Provisions	195,978		2,851,686
o Contributions to paid leave			
Capital Charges:			
Interest paid:			
o to internal funds	0		
o on external funds			0
Redemption			
o of internal advances	0		0
o of external loans			
Other income credited to the operating account	7,565,122		26,165
Non-operating income			
o public improvement fund	0		
o provisions and reserves	0		-1,199,802
Non-operating expenditure:			
o Provisions and Reserves			
	4,677,976		-1,401,552

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED			
30 JUNE 2006			
	2006		2005
	R		R
15. (INCREASE) / DECREASE IN WORKING CAPITAL			
(Increase) / decrease in provisions			-
(Increase) / decrease in long term debtors	71,622		0
Increase / (decrease) in debtors	(1,627,498)		2,834,577
Increase / (decrease) in deposits	7,533		-
(Increase) / decrease in creditors	518,334		1,254,653
	(1,030,009)		4,089,230
16. (INCREASE) / DECREASE IN CASH ON HAND			
Cash balance at beginning of the year	1,612,815		1,020,225
Less: Cash balance at the end of the year	2,781,794		(1,612,815)
Amount transferred to Investments	0		
	(1,168,979)		(592,590)
17. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENT			
Investment realized	8,700,961		10,024,966
Investment made	-13,356,520		(11,704,544)
	(4,655,559)		(1,679,578)
18. CONTINGENT LIABILITIES			
Leave pay provision			
19. CAPITAL COMMITMENTS			
Commitments in respect of external capital expenditure:			
➤ Approved and contracted for	0		11,558,230
➤ Approved but not yet contracted for	0		3,000,000
	0		14,558,230
This expenditure will be financed from:			
➤ Internal sources	0		0
➤ External sources	0		14,558,230
Provincial Government	0		4,800,000
National Government	0		9,758,230
20. RETIREMENT BENEFITS			
The employees are members of the Natal Joint Municipal Pension/Provident Fund. The fund has a full valuation on a triennial basis, and an interim valuation on an annual basis. It should be noted that the association with the Natal Joint Municipal Pension/Provident fund is compulsory.			
Staff members are entitled to 18.1% of basic salary towards council contribution to a retirement/pension/provident fund and 60% towards a medical scheme.			
Staff members are afforded an opportunity to utilise any unused contribution, over and above their contribution to the Natal Joint Municipal Pension/Provident Fund and medical aid contribution, as a contribution to a retirement/pension/provident/medical fund of their own choice as from 1 January 1997.			
The said contribution shall not be paid out to the staff member but must be paid directly by council to the relevant institution.			

MAPHUMULO MUNICIPALITY

APPENDIX A

RESERVES FOR THE YEAR ENDED 30 JUNE 2008

Details	Balance 30/6/2005	Contributions during the year	Adjustments	Interest on Investments	Other Income	Expenditure during the year	Balance at 30/6/2008
Reserves							
Establishment Grant	-	-				-	0
Capacity Support Grant	85,700	-				(15,510)	70,190
Feasibility Study	63,444	-				(14,000)	49,444
IDP Grant	78,743	512,629				(534,299)	57,073
MSIG Grant (IDP)	-	185,299				(113,489)	51,810
Land Use Management	258,140	80,000				(83,380)	252,760
MSIG Land Use Management	39,200	-				-	39,200
MSIG	-	1,037,840				(303,840)	734,000
MSIG	-	303,840				-	303,840
Performance Management Sys	-	37,791				(37,791)	0
MSIG PMS	76,400	-				(37,791)	38,609
Internship Grant	203,277	294,520				(248,874)	250,923
MFMA	45,000	100,000				(71,665)	73,335
Retention	33,802	165,889				(175,324)	24,147
MDP Capacity Building	200,000	200,000				-	400,000
Anti Corruption	134,500	-				-	134,500
Project Cons. MAP	524,000	285,000				(519,843)	289,357
Town Development MAP	-	180,000				-	180,000
Inter Departmental Monitoring	47,123	58,378				(23,337)	80,184
Property Rates Impl.	63,125	170,000				(170,000)	83,125
Valuation Roll	-	170,000				-	170,000
GIS Funds	390,000	281,160				(478,160)	175,000
MIG	-	2,444,053				(2,444,053)	0
Multi Purpose Community Centre	-	7,824,165				(1,950,056)	5,874,109
Housing Mabomvini	-	1,817,916				(1,817,916)	0
Housing Mabhedu	-	1,281,225				(1,281,225)	0
Housing Nodunga	-	1,395,120				(968,220)	436,900
Housing Mangcolosi	-	873,378				(873,378)	0
CDW Grant	-	120,925				(101,354)	19,571
LGSETA	-	37,500				-	37,500
Municipal Development Plan Capac	-	200,000				(200,000)	0
Municipal Support Infra. Grant	-	303,840				(303,840)	0
	-	-				-	0
	2,240,453	20,318,247	-	-	-	(12,763,124)	9,805,577
Provisions and Reserves							
Audit Fees	200,000						200,000
Leave Reserve	350,000						350,000
Bad Debts	4,022						4,022
Total Provisions	554,022						554,022
						Less Provision for Bad Debts	4,022
						Total Provisions	550,000

MAPHUMULO MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2006

		Repayment Date	Interest rate %	Balance at 30/6/2005	Received during the year	Redeemed or written off during the year	Balance at 30/6/2006
External Loans							
TOTAL EXTERNAL LOANS		-	-	-	-	-	-
		Period	Interest rate %	Balance at 30/6/2005	Received during the year	Redeemed or written off during the year	Balance at 30/6/2006
INTERNAL ADVANCES TO BORROWING SERVICES							
Capital Development Fund		Various					0
Public Improvement Fund		Various					0
				0	0	0	0

MAPHUMULO MUNICIPALITY									
APPENDIX C									
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2006									
Expenditure 2005	SERVICE	Budget 2006	Balance at 30/6/2005	Misallocation	Adjusted Allocations	Expenditure 2006	Written off transferred redeemed or disposed of during the year	Asset Transferred in	Balance at 30/6/2006
R		R	R			R	R	R	R
303,549	ADMINISTRATION	0	11,359,409			2,070,428	10,150	0	13,419,685
93,584	Administration	0	9,188,329	-231,288.00	8,937,043	105,160			9,042,203
0	Board	0	587,574	72,810.00	660,384	150,638	10,000		801,022
27,232	Finance	0	324,716		324,716	11,153			335,869
171,249	Engineering	0	1,080,821	158,478.00	1,239,097	1,798,848	150		3,037,793
11,504	Municipal Manager	0	198,169		198,169	4,628			202,797
303,549	Total Fixed Assets	0	11,359,408		11,359,408	2,070,428	10,150	0	13,419,685
	Less: Other Capital Receipts		Balance			Advanced	Written off		Balance
			11,359,409	11,359,409.00		2,070,428	10,150	0	13,419,685
	Contributions ex operating income		1,827,678	8,585,559.00		219,098	10,000		8,774,658
	Subsidy ex Province		203,018	0.00		0			0
	Assets Transferred in		5,516,662	0.00		0	0.00		0
	Adjustments on Assets		-411,888	0.00					0
	Unconditional Grants		4,123,849	4,793,850.00		1,851,330	150		8,845,030
	Net Fixed Assets		0			0	0	0	0

MAPHUMULO MUNICIPALITY					
APPENDIX D					
ANALYSIS OF OPERATING INCOME AND EXPENDITURE					
FOR THE YEAR ENDED 30 JUNE 2006					
Actual 2005 R			Actual 2006 R		Budget 2006 R
		Income			
48,851		Rentals	105,038		60,000
690,761		Interest from Investments	806,147		400,000
-		Other Grants	-		17,652,000
4,800,000		CMIP Grant	-		-
14,723,036		National Grant - Equitable Share	16,730,337		16,730,338
28,298		Interest Earned from Loans	-		-
113,816		Other Income	204,587		10,595,237
20,404,762			17,846,109		45,437,575
		Expenditure			
5,923,533		Salaries, wages and allowances	8,246,992		5,977,345
2,481,478		General expenses	2,765,346		2,788,795
158,503		Repairs and maintenance	289,759		311,000
100,533		Contribution to Fixed Assets	200,008		264,000
1,753,004		VAT Reversal	0		0
530,412		Contributions	408,865		352,000
		Projects/Functions Overheads			4,073,638
242,945		Municipal Systems	0		0
822,465		Maintenance	0		0
5,382,787		CMIP Projects			
5,054,535		Capital Expenditure	11,018,263		31,670,797
					0
22,450,195		Gross Expenditure	20,929,233		45,437,575
(2,045,433)		Net expenditure	(3,083,124)		-

MAPHUMULO MUNICIPALITY									
APPENDIX E									
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006									
2005 Actual Income R	2005 Actual expenditure R	2005 Surplus (Deficit) R		2006 Actual Income R	2006 Actual expenditure R	2006 Surplus/ (Deficit) R	2006 Budget Surplus / (Deficit)		
			Administration						
-	10,947,463	(10,947,463)		0.00	9,910,969.90	(9,910,969.90)	13,766,778		
0	5,923,533	(5,923,533)	Salaries, wages and allowances		6,246,991.88	(6,246,991.88)	5,977,345		
0	2,481,478	(2,481,478)	General expenses		2,765,346.31	(2,765,346.31)	2,788,795		
0	158,503	(158,503)	Repairs and maintenance		289,759.00	(289,759.00)	311,000		
0	100,533	(100,533)	Contribution to Capital		200,007.62	(200,007.62)	264,000		
0	530,412	(530,412)	Contribution to Provisions		408,865.09	(408,865.09)	352,000		
			Projects/ Function Overheads		0.00	-	4,073,638		
0	1,753,004	(1,753,004)	VAT Reversal	0.00	0.00	-	-		
			MUNICIPAL CAPITAL						
			FUNCTIONS/PROJETS						
-	11,502,732	(11,502,732)		0.00	11,018,263.07	(11,018,263.07)	31,670,797		
	242,945	(242,945)	Municipal Systems						
	822,465	(822,465)	Maintenance						
	5,382,787	(5,382,787)	CMIP Projects						
-	5,054,535	(5,054,535)	Capital Expenditure		11,018,263.07	(11,018,263.07)	31,670,797		
20,404,762	0	20,404,762		17,846,109.07	0.00	17,846,109.07	46,437,575		
113,816	-	113,816	Other Income	108,846.62	0.00	108,846.62	10,595,237		
690,761	-	690,761	Interest from Investments	806,147.48	0.00	806,147.48	400,000		
28,298	-	28,298	Interest Earned from Loans	0.00	0.00	-	-		
4,800,000	-	4,800,000	CMIP Grant	0.00	0.00	-	-		
	-	-	Other Grants	0.00	0.00	-	17,652,000		
48,851	-	48,851	Rentals	105,037.97	0.00	105,037.97	60,000		
-	-	-	Free Basic Services	1,218,796.00	0.00	1,218,796.00	1,218,797		
14,723,036	-	14,723,036	National Grant - Equitable Share	15,511,541.00		15,511,541.00	15,511,541		
-	-	-	TUB Hire	95,740.00	0.00	95,740.00	-		
20,404,762	22,450,195	(2,045,433)	TOTAL	17,846,109.07	20,929,232.97	(3,083,123.90)	-		
		(1,488,723)	Appropriations for the year			-			
		(3,534,156)	Net surplus / (deficit) for the year			(3,083,123.90)			
			Accumulated surplus / (deficit) beginning of the year			10,282,199.00			
		10,282,199	ACCUMULATED SURPLUS/ (DEFICIT)END OF THE YEAR			7,199,075.10			

MAPHUMULO MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2006

General statistics	2006	2005
Population	170000	170000
Number of employees	35	34
Number of Households	21000	21000